

PARRY

JEWELERS

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Secretary Jennifer Johnson
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

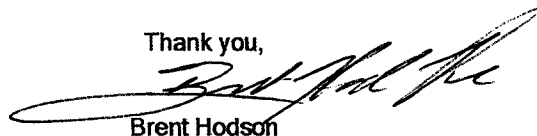
Dear Secretary Johnson:

It is encouraging to see Congress and the Federal Reserve protecting the small businesses of America for a change. With the increased use of plastic, the time is right to regulate the debit card industry. The big banks are stealing money from us through these hidden fees, and it is time to get that money back where it belongs- in the hands of the small business owner.

Over the past twenty-eight years of ownership here, I have seen a lot of changes. One of those is a significant increase in my customers' use of plastic as payment. Currently, about 60% of my sales come through debit and credit cards. My monthly interchange fees run around \$1,000. This is way too high. The result has been an increase in prices and a decrease in hours of operation.

The two percent of each purchase that I pay per transaction is totally unfair. It costs the same to process \$1.00 for a candy bar as it does a high dollar piece of jeweler. Why should I be penalized like this? The cents-per-transaction rate that you are proposing is much fairer and more proportional to the actual cost of the transaction. It will be a good day for small business when this regulation becomes law in June.

Thank you,



Brent Hodson